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25 February 1961

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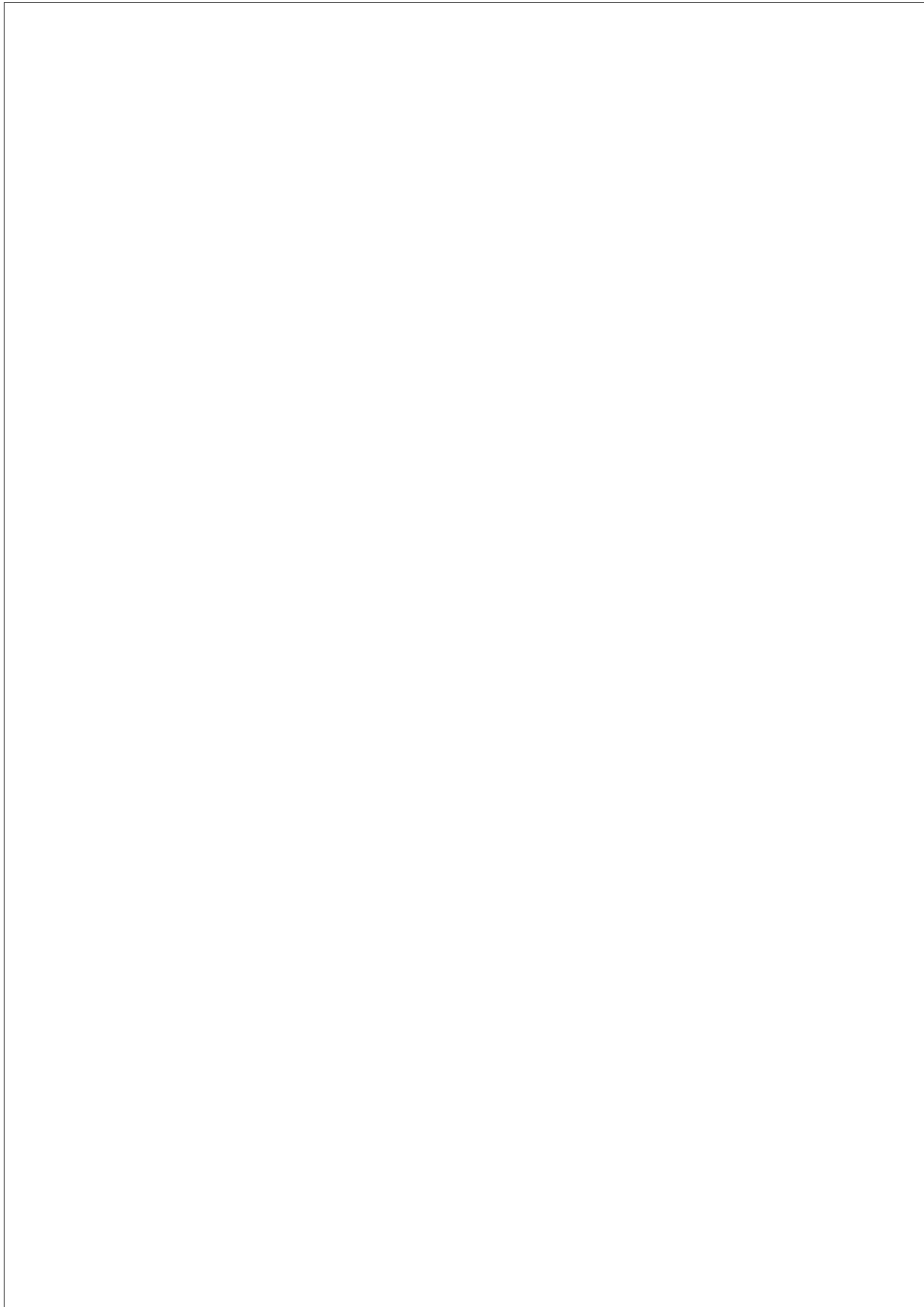
CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

Serial

West Germany: [Opposition has been voiced in Chancellor Adenauer's Christian Democratic party (CDU) to the chancellor's willingness to accommodate the US with respect to Bonn's assuming a greater share of Western financial burdens. Following his briefing of a CDU caucus upon his return from Washington, Foreign Minister von Brentano reportedly was bitterly attacked for his offer of aid to underdeveloped areas, which he made on 17 February. [redacted] both Economics Minister Erhard and Finance Minister Etzel in "nasty and ironic tones" challenged Brentano's authority to make such an offer and claimed that Bonn would be unable to impose the required taxes for a billion-dollar aid program. Erhard stated that his one-shot offer on 6 February in reply to US demands was still "fair and final." While Erhard's position reflects his cautious anti-inflationary economic views, he is probably using the issue also to reassert his ambition to succeed Adenauer despite the Chancellor's well-known aversion to him in that role. Adenauer, who was not at the caucus, commissioned the Brentano visit, and has assigned future negotiations to Brentano's Foreign Ministry rather than to Erhard's Economics Ministry. Although mindful of the need for party unity in an election year, Adenauer will probably be able to overcome party opposition on this issue. The opposition Socialists are reported favorable to the US position and are not planning to attack Adenauer in the campaign this summer for reaching such an economic agreement with the US.] [redacted] OK

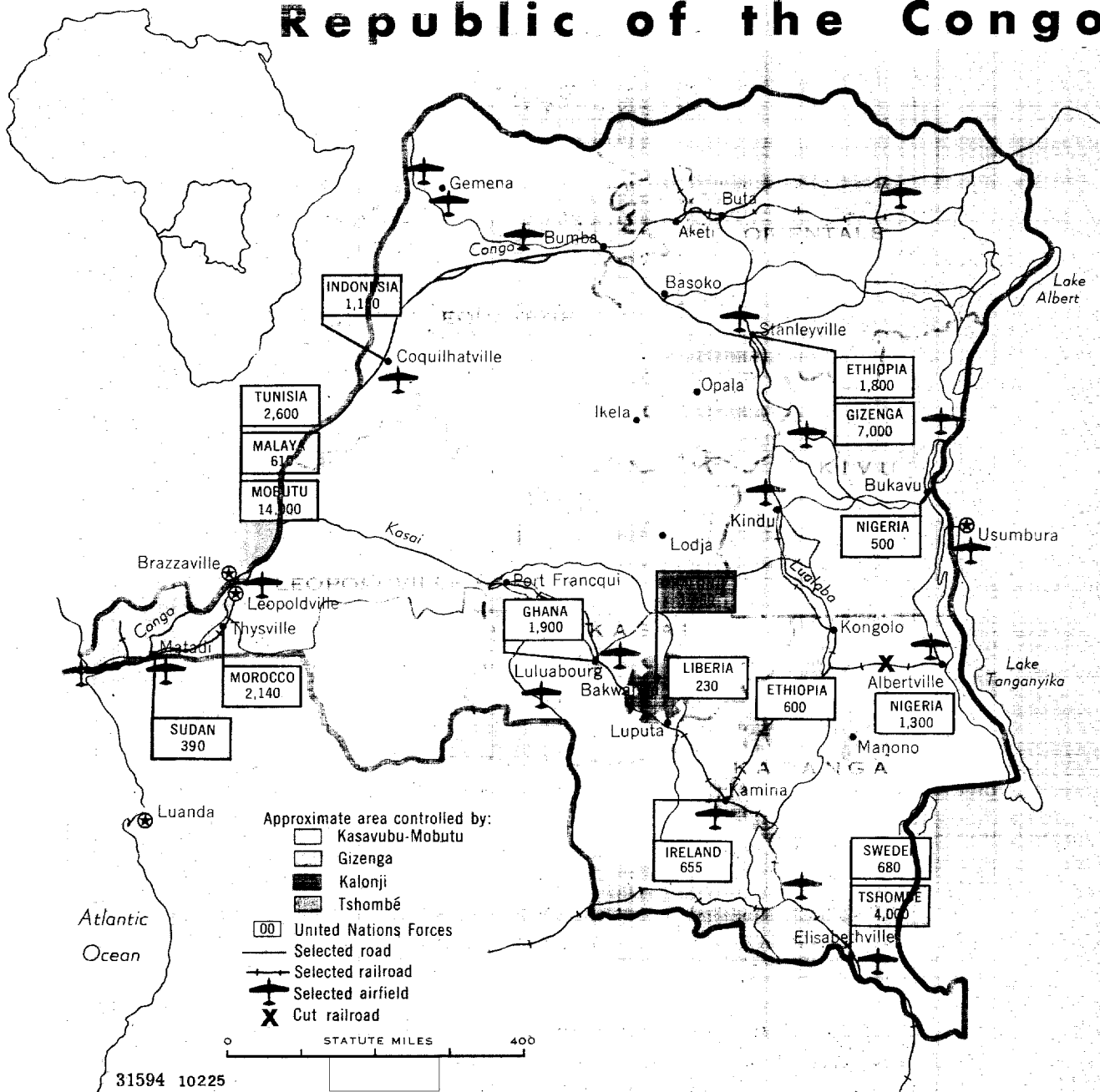
(Backup, Page 1)

*Congo: [redacted]

Mobutu troops in plain clothes have appeared in Ruanda-Urundi. Their purpose allegedly is to buy off one of the garrisons now controlled by Gizenga across the Congo border in Bukavu and No

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Republic of the Congo



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thus reassert central government authority in Kivu Province.

[] this operation has a better chance of succeeding than did Mobutu's abortive attempt on 1 January, also from Ruanda-Urundi, to take over the province. Belgium, which administers Ruanda-Urundi as a UN trust territory, would be open to further severe censure, should the operation take place. In addition, the widespread belief that Mobutu is operating under Belgian influence would be reinforced.

[] Tshombé's government, virtually disregarding its 22 February agreement with the UN to freeze its troop movements, reportedly is continuing a two-pronged drive against Manono, capital of the dissident "Lualaba state." Katanga officials are claiming that the agreement covers only relations between UN and Katanga forces; however, the Katangan officer commanding one of the advancing forces reportedly told the leader of a Nigerian UN patrol that he has orders to continue into Manono despite any Nigerian resistance. Civilian UN officials in Elisabethville believe that serious clashes with Katanga forces are likely to occur and have asked headquarters in Leopoldville for reinforcements. []

Confused reports from northern Kasai Province indicate that a force of pro-Gizenga troops is moving toward the provincial capital of Luluabourg and may have entered the city. This probably is part of the Gizengist incursion of the area which began late in January. There is no information concerning the size or effectiveness of the force, which Ghanaian UN troops have been ordered to halt. []

[] this force is at least partly responsive to Gizenga's orders; however, this control probably is tenuous.

[] (Backup, Page 3)

*Laos: Peiping is bringing pressure to bear on Burma to reject King Savang's proposal for a neutral nations commission in Laos, [] Com- *OK delete*
 [] *IPs 1, 2, 5, 7*
 [] *Backup*
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Peiping's strong objections to the neutral nations commission and asked that the Chinese position be conveyed to Rangoon as soon as possible. He added that Chou-En-lai was writing a letter to the Burmese prime minister on the subject. [REDACTED]

[REDACTED] (Backup, Page 5)

France-Algeria: Both De Gaulle and Tunisian President Bourguiba probably believe that their forthcoming meeting on 27 February will lead to direct negotiations between De Gaulle and Premier Ferhat Abbas of the Provisional Algerian Government (PAG). The PAG in Tunis has now publicly endorsed the De Gaulle - Bourguiba meeting and reportedly has authorized Bourguiba to make preliminary soundings on matters of substance. [REDACTED] (Backup, Page 7) *No*

Federation of Rhodesia and Nyasaland: Unless racial violence erupts and inflames settler emotions, Prime Minister Welensky of the Federation of Rhodesia and Nyasaland will probably avoid at this time a definitive break with Britain over the issue of sharply increased African influence in Northern Rhodesia's government. Welensky, who is an exponent of continued white control of the Federation, has already mobilized non-African troops, instituted strict control of foreign exchange and summoned the Federation's parliament in an emergency session; meanwhile, police leaves have been canceled in Southern Rhodesia. On 27 February he plans to present in parliament a motion empowering his government "to resist by every means" any attempt by London to take political power in Northern Rhodesia out of the hands of "responsible people." At present, white settlers hold a majority of the elective seats in the legislature but are subject to the control of the British governor. [REDACTED] *No*

Israel: The refusal of the National Religious party to join a new government under Ben-Gurion will probably force the Mapai party to call for new elections. Mapai leaders have decided that they would rather face that alternative than accede *OK*

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to the demands of other former coalition partners to replace Ben-Gurion as leader of a new coalition. Adverse public reaction to the prolonged party crisis over the Lavon affair has made most Mapai leaders fearful of losing votes in an election at this time. [redacted]

[redacted] Ben-Gurion is not averse to early elections. [redacted] (Backup, Page 9)

Britain: [redacted] At the annual review meetings of COCOM (Co-ordinating Committee for East-West trade) currently being held in Paris, London is taking its most vigorous stand since 1958 and is insisting that controls not be aimed at the economic base of the bloc but limited to "specifically strategic" materials and equipment. The Macmillan government has long questioned the effectiveness of the control system in impeding the USSR's military and technological advance and now apparently wishes to expand bloc trade both as part of its current export drive and as a means of improving relations with the bloc. [redacted] OK

[redacted] (Backup, Page 10)

Brazil: President Janio Quadros' policy of closer relations with the Sino-Soviet bloc is arousing controversy within Brazil, particularly among the military. Armed forces officers are reported cold toward renewal of diplomatic relations, although apparently not averse to increased trade. The Foreign Ministry nevertheless announced on 23 February that Brazil will establish relations with Hungary, Rumania, and Bulgaria. Although the Quadros administration has promised to support inclusion of the Chinese representation question on the UN General Assembly agenda at the next session, it has announced that the decision on whether Brazil will support admitting Communist China to the UN will be made later. [redacted] OK

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[REDACTED]

Sharp Differences in Bonn Over Brentano Aid Offer

[In the absence of Adenauer a meeting of the Christian Democratic Union (CDU) members on 21 February greeted Foreign Minister von Brentano's account of his financial talks in Washington coolly and with only perfunctory applause in contrast to the "thunderous applause" following the attack on him by Erhard and Etzel. Brentano reportedly left the meeting visibly shaken.]

[Erhard bitterly attacked Brentano's talks in Washington committing West Germany to a continuing annual aid program featuring substantial budgetary appropriations. He argued that while German capital would be devoted to aid to developing countries, foreign capital, including American, would flow into German investments, and that American financial difficulties would accordingly worsen.]

[Finance Minister Etzel said that an aid program on the scale envisioned by Brentano would mean a 16-percent tax increase, which he implied the Bundestag would never accept. Etzel added that no one should tell him that political considerations were overriding because in his opinion the prime political issue for Bonn was West Germany's economic stability.]

[Erhard may believe that he has sufficient backing in the party to challenge Adenauer's authority on this issue and thus strengthen his chances of becoming the next chancellor. The breach between Erhard and Adenauer has never been healed since their quarrel in the spring of 1959 when Adenauer successfully opposed Erhard's choice by the party leaders. Last month an attempt was made to patch the quarrel and ensure party solidarity by naming both Adenauer and Erhard as a "team" to lead the campaign for the national election which will probably take place in September.]

[The chancellor can probably bring the opponents within his party into line, and may do so in a manner that will once more make a point of Erhard's political ineptness. He will be aided by the reported willingness of the opposition Social]

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{Democratic party (SPD) to avoid exploiting this issue in the election campaign--even if a tax increase becomes necessary. The top SPD leaders believe that the 6 February Bonn offer to help relieve US balance of payment difficulties by prepayment of debts and advance deposits for armament purchases is clearly insufficient and that West Germany must eventually accede to the American requests.}

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Situation in the Congo

Mobutu's plan in his Ruanda-Urundi operation apparently is to subvert the forces in Bukavu directly subordinate to the Kivu provincial government, who reportedly have not been paid as a result of that government's bankruptcy, and turn them against a garrison of Stanleyville troops, which is also located at Bukavu. He apparently is attempting to take advantage of the almost complete anarchy in Kivu which has resulted from the struggle for power among local politicians, most of whom claim the allegiance of some of the Congolese forces in the area.

The chaotic situation in the province apparently has led Anicet Kashamura, head of the provincial government since late December and a long-time associate of Lumumba and Gizenga, to send an emissary to the UN, claiming he wishes to align himself with Leopoldville against Gizenga. Kashamura, whom Stanleyville has recently been trying to bring back under control, reportedly has asked the Belgians in Ruanda-Urundi to defend his borders against Gizenga forces. [REDACTED]


[REDACTED] Gizenga stated that he was accrediting "ambassadors" to the United States or Canada, the UAR, Communist China, and Poland. [REDACTED] Peiping and Warsaw, naming his envoys and asking those countries to reciprocate as soon as possible. All bloc countries have expressed support for the Stanleyville regime, but, with the exception of Peiping, none has yet officially expressed an intention to exchange ambassadors.

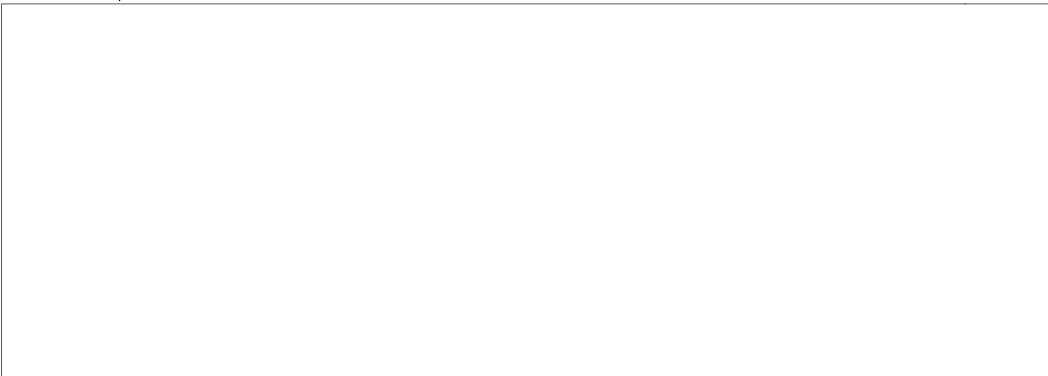
[REDACTED] Gizenga also expressed his regime's opposition to the 21 February Security Council resolution which broadened the UN Congo force's mandate. He told his representative, "In no case can we accept the trusteeship of the UN. Our soldiers have resolved that whatever they are faced

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with they will never drop their rifles while they have bullets left." 



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Situation in Laos

[While Burma has not yet declared itself on Laos' invitation to serve on a neutral nations commission, the Burmese Foreign Ministry reportedly has prepared a memorandum recommending that the government decline. The memorandum points out that the situation in Laos is extremely complicated, and that the proposal does not go far enough in that it is merely of a fact-finding nature and does not provide for recommendations of courses of action.]

[Gromyko's discussion [redacted] in Moscow [redacted] provides a further indication that the Communist bloc leaders feel the proposal for a neutral nations commission for Laos may have undercut their own position and, if implemented, would prevent Communist participation in any settlement. Gromyko insisted that the solution to the Laotian problem lay in adherence to established agreements and procedures and that the proposal was an attempt by the US to circumvent the Geneva agreements. He observed that one of the US objectives was to eliminate Poland.]

According to Hanoi radio, Souvanna Phouma told a press conference held somewhere in Xieng Khouang Province on 24 February that he considered an international conference along the lines of Premier Sihanouk's 14-nation proposal to be the best way to settle the crisis in Laos. Souvanna is also quoted as saying that he doubted the "Laotian people and the Pathet Lao forces can accept the broadening of the Vientiane (Boun Oum) government. If there is any broadening, that can only be a broadening, with collaboration of the Pathet Lao forces, of the government which I have set up."

During the past two weeks several International Control Commission (ICC) courier flights to Hanoi have been turned back by North Vietnamese authorities for various reasons, usually on the excuse of "bad weather," according to members of the Canadian delegation to the ICC. In the most recent instance, however, the flight was turned back five minutes

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out of Hanoi because the airport was "too crowded." [redacted]
[redacted] this development is related to the continuing Soviet airlift to Laos through the Hanoi airport.
[redacted]

[redacted] {Airlift operations into Laos were carried out on 21 and 22 February but were apparently canceled on 23 February, possibly because of adverse weather.} [redacted]
[redacted]

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De Gaulle - Bourguiba Meeting

Before setting a date for the meeting between De Gaulle and Bourguiba both sides took extensive soundings to assure that some tangible gains would result. Tunisian Secretary of State for Information Mohamed Masmoudi, who arranged the meeting, reportedly came away from personal sessions with De Gaulle convinced of his sincerity in desiring to negotiate a settlement. Masmoudi also probed French opinion in private talks with figures outside of the government. French civilian and military working groups in Paris have reportedly subsequently completed plans for cease-fire arrangements and for self-determination. De Gaulle is reported willing to bring imprisoned rebel vice premier Ben Bella to Paris at the time of the Bourguiba visit, and may halt the execution of Moslem terrorists.

In Tunis, the rebel Provisional Algerian Government (PAG) at first appeared distrustful of Bourguiba's intentions, and was irritated that he had announced acceptance of De Gaulle's invitation without consulting them. On 17 February, however, Masmoudi told a US official the PAG had come to full agreement that Bourguiba should meet with De Gaulle in the interests of bringing about direct negotiations.

An officer of the PAG who confirmed this position to the US Embassy in Tunis on 23 February declared that Masmoudi had promised that Bourguiba would not meet with De Gaulle until Paris had demonstrated willingness to make substantive progress toward an Algerian solution. The same day an editorial in El Moujahid, the official organ of the rebel movement, praised Bourguiba for "making incessant efforts to re-establish peace."

The rebel leaders probably would not risk adverse reactions in Morocco and the UAR to such an endorsement without reasonable certainty that Bourguiba's visit will produce results. Bourguiba himself in a 23 February radio address, said that the fact De Gaulle invited him for exploratory talks indicates that "the obstacles which blocked direct peace negotiations in the past have been surmounted."

In Algeria, military operations by both sides have recently been intensified. Rebel losses are increasing, since the French

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units withdrawn from the fighting areas to keep order in the cities during the December riots and the January referendum are returning to action. French official sources claim nearly 600 rebels were put out of action during the week of 18 February, as opposed to an average of 380 a week in January. In his farewell order on 13 February, former Commander in Chief in Algeria General Crepin asserted that rebel terrorist acts had dropped to 15 a day instead of the 1960 average of 30 a day. The American consul general in Algiers comments, however, that the average citizen is hardly aware of the difference, and that an undercurrent of fear and violence persists along the fringes of the large cities. Reports continue that European extremists plan "one last mighty effort" of spectacular terrorism to coincide with any announcement that French-PAG negotiations are to begin.

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Coalition Problems May Force Elections in Israel

The Lavon affair has been primarily an intra-Mapai controversy over former Defense Minister Pinhas Lavon's alleged responsibility for an abortive clandestine operation in 1954 aimed at disrupting Egyptian-American relations. A personal struggle developed between Ben-Gurion and Lavon, himself a power within the Mapai, when Lavon last year publicly implied that he had been framed by protégés of Ben-Gurion in the Defense Ministry during an investigation of the operation which subsequently forced Lavon out of the cabinet.

On the basis of new evidence, a cabinet committee exonerated Lavon last December; the committee's procedures and findings were severely criticized by Ben-Gurion. After his Mapai colleagues refused to submit to his demand for Lavon's expulsion from the party, the prime minister forced the issue by resigning on 31 January. This prompted the party's central committee to give Ben-Gurion a vote of confidence by forcing Lavon out of his position as secretary general of the powerful Histadrut labor federation. Ben-Gurion then agreed to form a new coalition.

The Mapam, Achdut-Haavoda and Progressive parties, stung by criticism of the cabinet committee which exonerated Lavon, have already announced that they will not again participate in a government led by Ben-Gurion. The National Religious party's refusal, by a one-vote margin, to participate leaves only the Religious Workers' party willing to join Mapai. However, its 3 seats, together with the 52 controlled by Mapai, are not sufficient to provide a majority in the 120-seat Knesset. It is theoretically possible that a government could be formed without Mapai, but nearly all of the other parties are now calling for elections.

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Britain's Position on Controls on Bloc Trade

{The Coordinating Committee--composed of Japan and all NATO members but Iceland--is scheduled to begin its third and final round in the 1961 review of trade controls on 2 March. In recent sessions British delegates have argued that the "specifically strategic" criterion was formally adopted at the 1958 COCOM meeting, where Britain succeeded in obtaining a major reduction of trade controls. They point to the growth of Soviet economic and technological expansion in the ten years since COCOM was established as evidence of the futility of restricting trade for other than strictly strategic reasons.}

[REDACTED]

{Lagging exports and the prospect of further difficulties with developments that may hurt British trade, such as the further consolidation of the Common Market and the disturbances in Africa, have led a small but growing section of the business community to look toward the bloc for an expansion of trade. Bloc trade figures last year have probably reinforced this view. While bloc trade is only about three percent of Britain's total trade, British exports both to the USSR and to Communist China in 1960 were more than double those of 1959.}

[REDACTED]

[REDACTED]

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Brazilian President's Foreign Policy Arouses Opposition Among Military

Unrest within the military over the Quadros administration's plans to expand diplomatic relations with the Sino-Soviet bloc [redacted]

[redacted] Carlos Lacerda, the newly elected governor of Guanabara, is also reported uneasy over recent Quadros moves toward the Sino-Soviet bloc. The new administration's changes in assignments of high-ranking military officers are adding to military restlessness but the stability of the regime does not now appear threatened.

Brazil now has missions in Czechoslovakia and Poland. In addition to the planned diplomatic relations with three Soviet satellites, Quadros is apparently considering renewing relations with the USSR and possibly establishing them with Communist China. An East German press service reported on 20 February that Quadros in a telegram to East German party boss Ulbricht had expressed the wish "that relations between our two states may grow closer. . . ." There is no indication that Brazilian - East German relations are now under serious consideration, although Foreign Minister Arinos stated in accepting his cabinet post on 31 January that Brazil intends "to establish diplomatic and commercial relations with all states of the world that desire pacific interchange with us."

Quadros' speed in announcing steps to expand diplomatic relations with the bloc is probably intended primarily to conciliate leftist-nationalist groups, which generally opposed Quadros' election. A widespread Brazilian belief in the country's growing importance in world affairs is also a factor. Quadros probably hopes that an attitude of "independence" in world affairs will win good will from leftist circles that are likely to protest the severe economic measures implied in his description of Brazil's financial situation as "terrible." [redacted]

[redacted]

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The Scientific Adviser to the President

The Director of the Budget

The Director, Office of Civil and Defense Mobilization

The Director, National Aeronautics and Space Administration

Chairman, Board of Consultants on Foreign Intelligence Activities

The Department of State

The Secretary of State

The Under Secretary of State

The Director, International Cooperation Administration

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

The Assistant Secretary of State for Policy Planning

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant to Secretary of Defense (Special Operations)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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